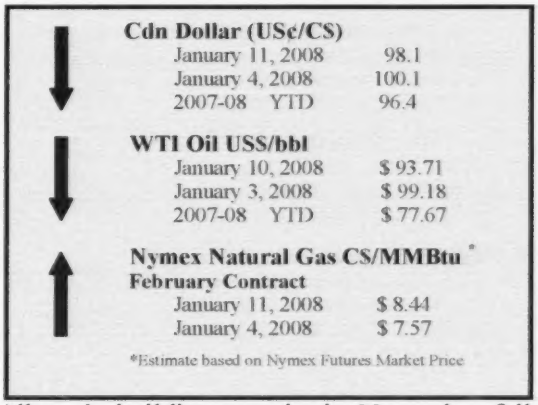
WEEKLY ECONOMIC REVIEW

January 11, 2008

2007 was yet another banner year for the province as employment growth reached 4.7%, the strongest in the country and more than double the national growth of 2.3%. In December, Alberta was the only province to post any significant gain in jobs (+20,900). The unemployment rate was also the lowest among the provinces at 3.2%. The strong job market lifted Alberta's hourly wage rate by 8.0% in the final quarter of 2007.

Alberta's new housing market ended on a weaker note in 2007 as annualized housing starts in December fell 16% from the same month in 2006. Nonetheless, housing starts averaged 48,300 units (seasonally adjusted), slightly below the record pace in 2006. Among Alberta's seven largest centres, the Calgary area experienced the biggest decrease in housing starts in 2007 (-20.8%), owing to a sharp decline in both single-detached (-25.8%) and multiple dwellings (-12.7%). In Edmonton, however, growth in multiple starts (+22.0%) more than offset the decline in single-detached (-15.2%), resulting in a more benign decrease of 0.5% for 2007.

Alberta new home prices continued to moderate in November. For the first time in 2007, Alberta saw a monthly decline in new home prices (-0.1%). Nonetheless, house prices were up 23.5% in the first 11 months of 2007.


Cdn Dollar (US¢/CS)
January 11, 2008 98.1
January 4, 2008 100.1
2007-08 YTD 96.4
WTI Oil US$/bbl
January 10, 2008 $ 93.71
January 3, 2008 $ 99.18
2007-08 YTD $ 77.67
Nymex Natural Gas CS/MMBtu *
February Contract
January 11, 2008 $ 8.44
January 4, 2008 $ 7.57
*Estimate based on Nymex Futures Market Price

Alberta's building permits in November fell 13.8% from October due to a steep decline in non-residential permits (-36.7%). On a year-to-date basis, however, building permits were up 15.2%. Canadian building permits were also down 9.9% from October due to weaker residential and non-residential activity.

After last week's brief ascent to $100 per barrel, oil prices eased to $93 per barrel amid mounting concerns of a possible U.S. recession and slower global growth. On the other hand, colder-than-usual weather in the U.S. helped push natural gas prices to above $8.40, up 12.7% from a year ago.

The Canadian dollar was trading above 99 cents US during the early part of the week before sliding by more than a cent on Friday on weaker job data.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month(Y/Y)	Year-to-date[1]
Employment (000s) [2]	**December**			
Alberta	1,991	1.1%	4.3%	4.7%
Canada	17,010	-0.1%	2.2%	2.3%
Housing Starts (000s)[2,3]	**December**			
Alberta	38.2	-13.0%	-16.0%	-1.2%
Canada	187.5	-19.6%	-11.8%	-0.1%
New Housing Price Index (1997=100)	**November**			
Alberta	254.7	-0.1%	11.9%	23.5%
Canada	156.5	0.5%	6.1%	7.9%

Source: Statistics Canada. [1]Year-to-date 2007 compared to the same period in 2006 [2] Seasonal adjusted [3]Annualized rate